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ABSTRACT

In response to federal welfare reform legislation, Arkansas created the Transitional Employment Assistance (TEA) program in April 1997. The goal of this Kids Count report is to increase awareness regarding issues underlying the early implementation of TEA, focusing on caseload reductions, demographic composition of the caseload, level of support provided by state agencies to TEA families, and the impact of TEA on the well-being of children and families. The report describes the experiences of three women with TEA and provides statistical data to highlight the program's early effectiveness. The report notes that the TEA caseload declined by nearly 43 percent since its inception. The approval rate for new applications declined precipitously, and the number of new applications received decreased slightly. Regarding demographics, single-parent TEA cases had the biggest decline in comparison to child-only or two-parent cases, and whites have left the TEA caseload at a much faster rate than other racial groups. Regarding supportive services, child care was the most used support service. Most adult TEA caseheads participated in a work-related activity, with the most common activities being job search JTPA (Job Training Partnership Act) referrals, and unsubsidized employment. Only 50 percent of adults whose TEA cases were closed were employed immediately in the next quarter, with over 80 percent of the employed parents earning wages below the federal poverty line. Although only 40 percent of the closed cases due to noncompliance have had completed home visits to monitor children's well-being, 80 percent of these home visits identified no problem with child well-being. (KB)

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Breaking The Cycle

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A SPECIAL REPORT BY

Arkansas kids count

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"Breaking the Cycle"
By Rich Huddleston, Arkansas Advocates for Children & Families
and Angela Duran, Good Faith Fund

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A member of the Kids Count Coalition, the Good Faith Fund is a nonprofit, economic development organization that works to increase the incomes and assets of low- and moderate-income residents of East Arkansas through the development of entrepreneurial skills, the provision of credit, training for employment and self-employment, and supportive services

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INTRODUCTION

In August 1996, Congress passed legislation that eliminated the old Aid to Families with Dependent Children (AFDC) program and replaced it with the Temporary Assistance to Needy Families (TANF) block grant program. TANF gives states enhanced flexibility to design and implement their own welfare reform programs in exchange for a fixed block grant.

In response to the new federal legislation, Arkansas, like most states, passed new state welfare reform legislation. In April 1997, the General Assembly passed Act 1058, creating the Transitional Employment Assistance (TEA) program. The TEA program began in July 1997.

Since Arkansas implemented the TEA program, much publicity has been given to the almost 45 percent decline in the TEA caseload. Receiving far less attention, however, especially in the media and by the public, have been other issues such as:

1)) What are the reasons why the caseload has dropped so dramatically? Is it because the state has been so successful in moving clients from welfare to work, or is it because clients have been dropped from the rolls because of non-compliance with state-imposed eligibility changes?

2) What impact has welfare reform had on the demographic composition of the TEA caseload? Are child-only cases or minority cases disproportionately represented in the TEA program now that the TEA caseload has declined so dramatically?

3) What level of support has the Department of Human Services (DHS) and other state agencies provided TEA families in their efforts to transition from welfare to work, achieve self-sufficiency and provide an adequate standard of living for their children? Have TEA families received the supportive services – such as transportation, child care and education and training – they need to effectively make this transition?

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4) What impact has welfare reform had on the well-being of children and families who have left the TEA program? Are families working; how much are they making; and do families have the resources they need to adequately meet the basic needs of their children?

A great deal of information has already been released about the TEA program. DHS publishes monthly TEA Status Reports and County Office Operational Reports – both of which contain basic caseload statistics – and occasionally release other TEA data when requested by state officials or advocacy groups. Berkeley Planning Associates (BPA), the contractor hired by the state to conduct an ongoing independent evaluation of the TEA program, has already released three studies. The first two studies released by BPA focused on organizational and process issues related to the State TEA Advisory Council, local TEA coalitions and DHS. BPA's third report, released in February, was their first major effort to report on early trends concerning the provision of supportive services and impacts of the programs on TEA families.

While it is far too early to determine the program's ultimate impact on children and their families, the realife stories of three women – "Melinda," "Mary" and "Donna" — coupled with basic statistical information, should shed some light on the TEA program's early effectiveness. These women have struggled and persevered; they have gained skills – both technical and personal – from Good Faith Fund's Careers in Health Care program in Pine Bluff. They have supported themselves with TEA, food stamps and other forms of public assistance. Today, they are self-supporting women who have careers in the health care field.

The goal of this report is to increase awareness among the media, state policymakers and the public as to the real issues underlying the early implementation of the TEA program. While statistical data is important to determining a program's effectiveness, it does not always present a complete picture. Sometimes, it takes the voices of those who have lived the program.

MELINDA, MARY & DONNA

3 Women Share Their Experiences with TEA

About Melinda, Mary & Donna

Melinda, 23, is African American. She is the mother of two children, ages 4 and 2. A high school graduate, Melinda also has some college-level education. Other than Temporary Employment Assistance (TEA), she's received public assistance in the form of Food Stamps and Medicaid. Melinda is a graduate of the Careers in Health Care program at Good Faith Fund and is employed at Jefferson Regional Medical Center in Pine Bluff.

Donna, 35, is also African American. Her children are ages 16, 14, and 6. A high school graduate, Donna graduated from CHC and is now employed with Trinity Rehab in Pine Bluff. Other than TEA, Donna has received Food Stamps.

Mary, 27, is white. She's the mother of one child, age 4. She's a high school and CHC graduate, now employed as a home health aide. For four years, she received public assistance in the form of AFDC, Food Stamps and Medicaid. She's now on TEA.

Donna

Melinda

Photo not available for Mary.

Receiving Public Assistance

Melinda, Mary and Donna have all had experience with various forms of public assistance. Melinda and Mary have received TEA. Melinda stopped receiving TEA benefits, but when she enrolled in the Careers in Health Care program at the Good Faith Fund, she went back to the Department of Human Services office to get help with supportive services like child care and transportation.

Melinda's experience in the county DHS office was not customer-friendly. "They just called your name and left you there. They didn't tell you which direction to go. I ended up going to the wrong side of the building."

Mary had a similar experience at the DHS office. "You get an appointment and then you have to sit there all day. When they call you, they say something like, 'Hallway 3, Room 200.' You don't know who you are going to be talking to."

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Once Melinda was enrolled in the TEA program, she had several different caseworkers.

"My first caseworker, acted like 'I don't really want to do this, but I'm getting paid, and it's my job.' I would call her and tell her I was doing stuff. And she'd say, 'Okay' and hang up. She didn't give me time to say what I was doing. They would tell me, 'Don't call me. I'll call you.'

"Then later on I got switched to a new caseworker. Every two weeks, you get a new person. I would call and ask for my caseworker, and they would say that she was not my caseworker anymore. I would have to explain everything I had done over and over again."

Before Melinda could get approved for TEA, she had to do a job search. DHS sent her some papers and told her to go to employers and get them to sign whether they were hiring or not. She didn't get any suggestions about where to look.

"They know that these places aren't hiring. It's just something to do."

Getting around to do the job search was difficult. The first time Melinda was on TEA, she got a voucher to ride the city bus when she had to job search. When she got back on TEA after starting CHC, the caseworker told her that she had to buy her own bus tickets. She could get help with child care, but only if she had proof of the time she went to and left each job interview.

Getting into CHC

Mary and Melinda learned about CHC from fliers posted on the bulletin board at their DHS office and mailed to them.

CHC helps low-income adults, including those receiving public assistance, to train for and access quality jobs and career advancement opportunities in the rapidly expanding health care sector. Initially, CHC participants are trained as certified nursing assistants (CNAs). Graduates are also supported in their efforts to enroll in training programs for licensed practical nurses (LPNs) or registered nurses (RNs).

CHC graduates secure entry-level jobs to gain valuable practical experience and further develop their problem-solving skills. Those who provide quality care and demonstrate exceptional reliability for nine to 12 months are eligible to return to CHC to train for advanced training tracks to qualify for better-paying health care jobs.

After Melinda started to receive TEA, no one at DHS sat down with her and talked to her about her goals and what she wanted to do. "The only thing they were worried about was how long I was going to need this assistance," she said.

Melinda did have to take a test to find out her education level, but the results of the test were never discussed with her. "I got an appointment. They took me to the back room. They didn't explain it to me; they just said 'take this test'. Nothing happens with the test; they just put it in your file. I never knew my score."

Mary was receiving TEA before the new law passed that put a limit on the amount of time a person could receive it. "I had been a stay-at-home mom. We didn't have much, but she had me.

"When the law passed, I decided to go ahead and try to get a job. I was never smart. I was always down on myself. I didn't have any self-esteem. I got in [CHC], and I tried. Every night during the first whole week of the CHC course, I cried because it was too hard. And then I got over it. If I pass; I pass. And if I don't; I don't. And I passed!"

Donna had been living in North Little Rock. She moved back to Pine Bluff because she was homeless, and her family was there. She needed Food Stamps so she could feed her children, but she couldn't get them because she was living with her ex-husband because she had no other place to go. To get the assistance she needed, she moved back in with her mother, which she did not want to do.

The Food Stamps caseworkers told her she had to sign up for job search. "I thought that was good because I wanted a job, but they never made me do anything. I was like 'Challenge me, I can get a job'." That's when she saw it: a television ad for CHC. She called the number, and made an appointment to talk to someone at CHC.

Seeking Child Care

Once Melinda and Mary enrolled in CHC, they needed care for their children. Mary had a lot of trouble getting the help she needed to find child care. At first, she was going to let her sister-in-law keep her little girl. But in order to get DHS to pay for that, she would have had to get birth certificates for her little girl, the father and the sister-in-law to prove the relationship.

Then, "they told me that all the money was spent, that I would have to find other means. Cheryl, the CHC program manager, ended up having to talk to them. And I ended up getting child care," Mary said.

Melinda had her share of troubles, too. When she called DHS to see how things were going on her child care application, "they would tell me that I had eight people in front of me. Then they would say that I was next. Then I would call back and they would say that there were two people in front of me. It took a good month for all this to get worked out. So when the class first started, every night I was stressing myself trying to think about who could keep my baby the next day."

Once that was sorted out, Melinda had difficulty finding a child care provider that would take her children. She said that the process did not make it easy to find quality child care. "They gave you a list. It had a hundred places on it. They didn't give you any information about the places. They didn't offer any advice about which ones to choose."

However, Melinda says that the child care process has improved. "Now the child care list shows the levels of quality. The highest number is a 1. The smallest number you'll see is a 3."

But the high-ranking child care centers present another problem for low-income mothers. Melinda reports that "when you walk into the door of a child care center with a No. 1 ranking and tell them that you have a voucher, they say, 'Oh well, I'll see'. Also, many of these places want you to buy everything. They have graduations and proms. They have prom kings and queens. The children get class rings. My child's graduation gown cost $60. I also had to buy her a dress that was like the other children's. And they had pictures for sale."

Mary went to many of the child care providers that were on the list. She called everyone in the phone book that said they accepted DHS vouchers. "I could not believe that some of them had been state-certified. One of them was in a house. She had toddlers, babies and older kids. Her house was wall-to-wall stuff. If a child reached up and grabbed something, the stuff could have fallen on the child. I told her, 'I'll get back with you'."

Because Mary didn't like any of the centers she visited, she pleaded with a provider that was not on the list to accept her voucher. Then that place closed. After that, Mary's mother kept the child.

Getting Transportation

Getting transportation so they could attend the CHC class was also a problem for the women. DHS told Mary that she could use one of the contract transportation providers. "The provider said they couldn't do it because they would have to pick me up, take me to take my little girl to day care and then take me to school. Then they would have to pick me up in the afternoon, pick up my little girl and take us home. They said they couldn't do the day care part because they wouldn't get paid for it. So they refused to do that.

"Then it all got straightened out. But then the new provider was unreliable. Finally my cousin started doing it. I didn't have the money to pay her. They said they would pay her. But she didn't feel like messing with the paperwork."

Experiencing CHC

The time spent at CHC was a positive and encouraging experience for the three women. For Melinda, her classmates played an important role: "A lot of people in my class really wanted to do something. There were a lot of encouragers. I followed Donna's footsteps. I told her she was my mentor. I said, 'If this lady can come in here and really be into it, I know I can too'."

Donna felt strongly about the role that the staff played. "When I got here, and started to school, I met Ms. [Penny] Penrose, the executive director. She was so real. The staff was like her. She was strict, and she meant what she said. It's not often that you meet someone that's real like her. She's an inspiration. That kept me going. She said, 'If you have a problem and my staff doesn't take care of it, I'll deal with it.' I believed that. I wish other places of business were like that. That gave me the initiative to go ahead."

Mary went through a great personal change during the class. "When we started, I was the one who would just sit back there and not say a word. I was the quiet one. 'Don't look at me. I'm not here. I'm trying to hide.' The staff brought me out of that. They won't let you just sit there. After we graduated, a bunch of us went to a local country dance place. Two or three of us got up and rode the bull, and I was one of them. That's something that I would have never done before."

When the class started, "I had low self-esteem," said Melinda. "I sort of figured out that I really couldn't do anything because everybody was saying, 'You're sick, and you can't do this, and you can't do that. Who's going to keep

your kids? Nobody is going to want you'.

"Then one day the teacher asked us to draw a picture of how the class made us feel. I drew a train on a its track. I said the train was on the way to No Way City. I was thinking, 'Hey, I'm on this right road and somebody has told me that nobody can stop me if I just keep going.' And so the picture came out. She told us to run with it, and I did. And the next thing you know, I've got this picture. It was a train and the caption said, 'There's no stopping in No Way City, I'm on the right track now.'

"I looked at everybody else's picture and I thought mine was so stupid. And then, my picture moved everybody else. They loved it. And that boosted me. I thought, 'Hey I've got it!'. I gave the picture to Donna because she asked for it, and then the CHC staff asked me to do another one for their wall."

The class helped Melinda to communicate effectively and get what she wants. "I used to not express my feelings. If someone came and yelled at me to do something, I'd back off. But now, they've got a challenge because I'm going to talk. That's the best thing. I can defend myself. I don't just let them bash me in and then go cry about it or tell somebody about it. Now I just tell them and keep walking."

This spring, Melinda traveled to New York with one of her CHC instructors – all expenses paid – to participate in the first national conference for paraprofessional health care workers. The conference will launch a national network-building effort designed to empower paraprofessional health care workers in the United States to collectively address such issues as the need for higher training and certification standards in many states, improved service delivery and improved working conditions for paraprofessionals in their field.

One of the assignments for the students was to keep a journal. Donna really enjoyed her journal. "My joy is writing. I'd get up and read my journal to my classmates every day. I wrote about what we did in class. One entry was how we felt about death."

The program helped her to think differently about herself. "Ms. Penrose wouldn't allow anyone to speak negative. She'd make you stand up in front of the class and say something positive about yourself. Those things help a person grow."

Starting a Career

Once the graduates find their first jobs, CHC staff works with them to help ensure that they keep the jobs. As Donna says, "Once you graduate, it's not like your gone and they say, 'See you later'. There's always a connection. You can always call and talk to someone if you are having a problem."

For Melinda, "CHC is like a momma that calls me every once in a while just to check on me. They take the time to call me at work. If I am busy, they leave a message saying they are thinking about me. And sometimes when I'm at work, and having a very bad day, getting that message makes a difference."

Donna got a job offer from Trinity Rehab while she was doing the clinical portion of the CHC training. "They told me that they wanted me and that I didn't have to finish the class. But the [CHC] nursing instructor, Ms. Martin said, 'Oh yes she does'."

Donna has been working for Trinity Rehab for more than six months. On her job, she travels to nursing homes and provides therapy and exercise for the residents. She works with a physical therapist and an occupational therapist. After three months on the job, she told her supervisors that she needed to be challenged. So she took and passed an exam to become a rehabilitation technician. She only missed one question on the test.

Melinda got several job offers while she was doing her clinical work - three from Jefferson Regional Medical Center (JRMC) and one from Davis Life Care Center. She started at JRMC a week after graduation. "I would have started at $5.15 per hour. But we were CPR-certified which gave me a dollar raise. Now I make $7.45. That's because I do my job; I do what CHC has taught me."

Melinda has learned a lot on the job. "The nurses on my floor taught me how to do a lot of things like starting an IV and drawing blood. Now I'm going through a class to learn how to do chemotherapy."

In addition to graduating from CHC and starting a career, Melinda has recently married, and bought a car and a house.

Mary's job is to bathe her clients or help them bathe, help clean their houses, go to the store for them, cook meals, and just sit and talk to them.

She often goes above and beyond the call of duty. "One week, my client's washing machine broke. I took her clothes home and washed them and brought them back. I cook for them. I break their meals down, and put

them in the freezer. That way they have a fully-cooked meal every night instead of a TV dinner. Most of the CNAs just open a can and throw something on a plate for them."

Two of the three women are making wages above minimum wage. Donna earns $7.50 an hour in rehabilitation work. Melinda makes $7.45 an hour working at the hospital. Mary is paid the minimum wage as home health aide; she struggles with the tradeoff of low pay and a job that she loves.

"I don't really like the pay because I only get minimum wage. I haven't gotten a raise since I got there. But I love my job; I love the people. I can't bring myself to look for another job. When I call in sick, two of my ladies refuse to have someone else."

In terms of benefits, it is a mixed bag for the women. At the hospital, Melinda gets vacation days, paid time-off and sick leave. Her health insurance is paid by the hospital. For her children, she must pay $40 a pay period. Donna has vacation and sick leave, as well as health insurance, but she must pay for part of it out of her paycheck.

For Mary, it has been a struggle to get benefits. "I only work six hours a day, 30 hours a week. To get benefits, I have to work the full 30 hours for 12 consecutive weeks. Somehow, I always end up missing it. I had just about gotten my time in and then my husband's grandfather passed away and I missed [work] for a funeral, so I've got to start all over again. I've been there one and a half years, and I still don't have my benefits. If you miss one hour of the 30 for a week, you don't get it."

CHC staff helps graduates to obtain the transitional assistance offered by DHS and to access other supports that are available for working families, like ARKids First health insurance and the earned income tax credit (EITC).

The experiences of the three women in obtaining these resources have been varied. Mary got Transitional Medicaid when she first left TEA, "but they never bothered to let me know when it ran out," she said. "My little girl got sick, and the doctor wouldn't see her because our Medicaid had expired. I am now trying to get back on Medicaid. They told me that my daughter would qualify for full Medicaid, but all I would get covered is birth control."

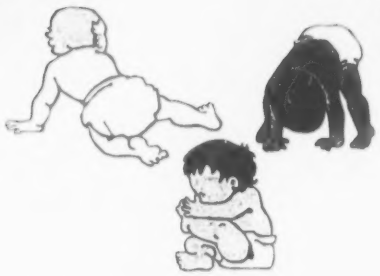
Melinda had a more positive experience. "When I graduated, they sent me a check for $600. It was $200 for transportation, $200 for my last TEA check and $200 for an employment bonus. When I got on TEA, I signed an agreement saying that I would stay in the 12-week course. The agreement said that if I quit, I would be taken off TEA automatically. My child care is paid for two years. If my car breaks down, they pay for it automatically. Just recently, my tires needed rotation, and they paid for it that same day."

Looking to the Future

These initial jobs in the health care field are just the start for these three women. Melinda will be enrolling in the hospital's RN program in January 2000. The hospital will pay for it.

Donna wants to write. "I want to write about the ins and outs of being a certified nursing assistant. I want people to know how important CNAs are. It's not always about money, but you have to be fair. In the nursing field, if you really know about a CNA's work, we are the backbone. We see those patients every day."

Breaking The Cycle

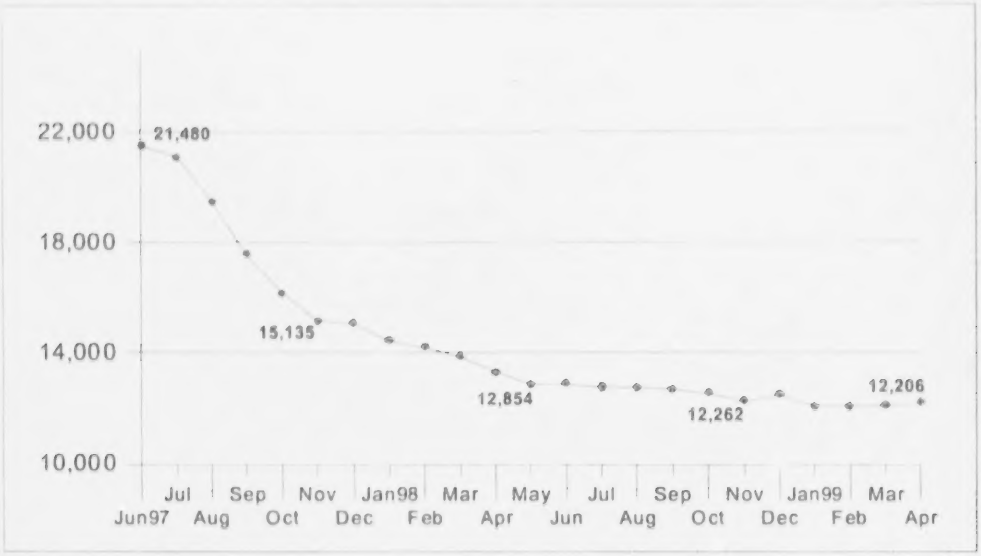


TEA CASELOAD TRENDS

Arkansas kids count

TEA CASELOAD

June 1997 - April 1999



The total TEA caseload has declined by nearly 43 percent since TEA went into effect in July 1997. Since TEA began, there have been four distinct changes in the TEA caseload. The period from June to November 1997 witnessed the sharpest drop with a decrease in caseload of 29.5 percent, from 21,480 cases to 15,135. From November 1997 to May 1998, the caseload continued to decline, but at a much slower rate, decreasing from 15,135 cases in November to 12,854 in May, a drop of 15.1 percent. The third stage occurred from May to December 1998, as the caseload declined by only 2.9 percent. A fourth stage may have begun in January 1999, as the caseload increased by 1.2 percent through April.

SOURCE: Arkansas Department of Human Services Monthly Status Report on Welfare Reform.

"Melinda and Mary have received Temporary Employment Assistance (TEA). Melinda stopped receiving TEA benefits. ..."

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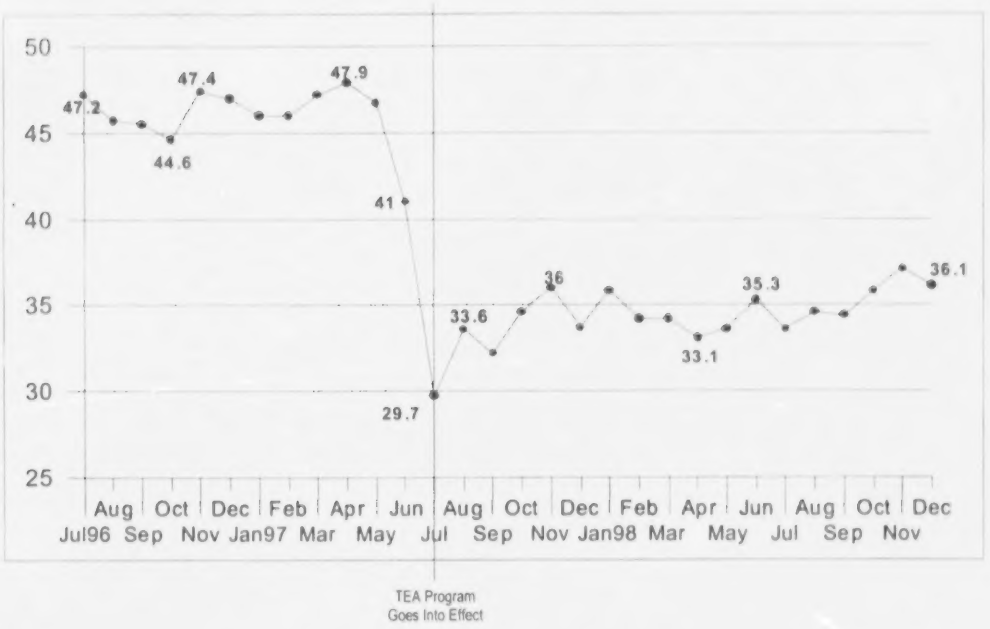
APPROVAL RATES FOR AFDC/TEA APPLICATIONS

July 1996 - December 1998

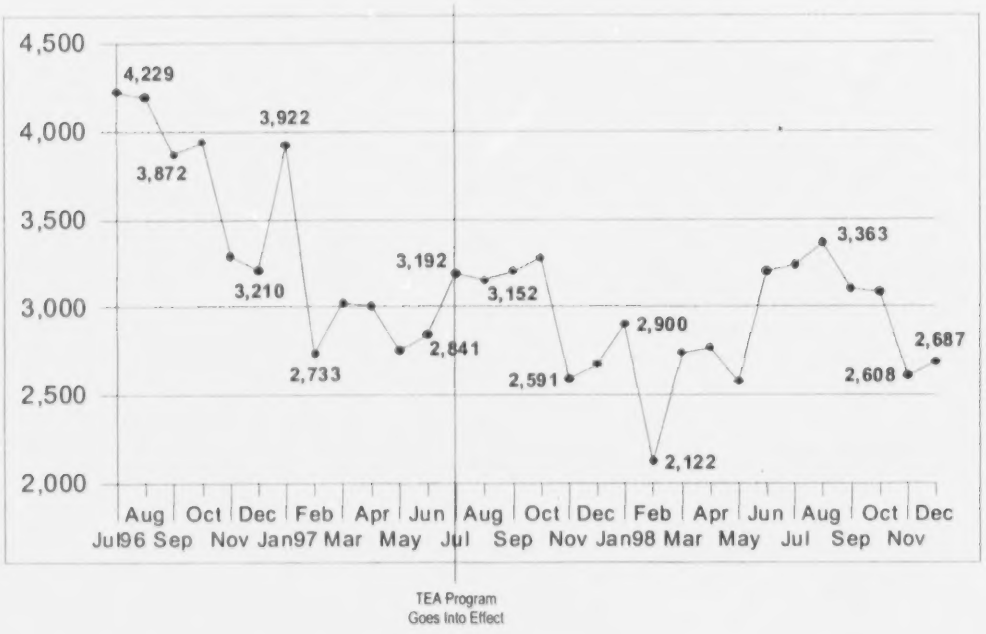


The approval rate for new applications is down significantly since the new TEA program went into effect. This average monthly approval rate for the 12 months prior to TEA was 44.8 percent, compared to just 34.6 percent since TEA began in July 1997.

SOURCE: Arkansas DHS County Office Operational Reports, July 1996-December 1998.

NEW AFDC/TEA APPLICATIONS RECEIVED

July 1996 - December 1998



The number of applications received by DHS has decreased slightly since the TEA program went into effect. The number of applications received during the 12 months prior to TEA averaged 3,418 monthly, compared to a monthly average of 2,916 since July 1997, an average decrease of 14.7 percent.

SOURCE: Arkansas DHS County Office Operational Reports, July 1996-December 1998.

CASE CLOSURES: AFDC vs. TEA

AFDC

TIME PERIOD	CASES CLOSED (Monthly Average)	CASES CLOSED AS % OF PREVIOUS MONTH'S CASES
SFY 1995	2,089	8.4
SFY 1996	2,016	8.8
SFY 1997	1,836	8.5

Since TEA went into effect in July 1997, cases have been closed at a significantly higher rate than under the old AFDC program. Under AFDC during State Fiscal Year 1997 (July 1, 1996 - June 30, 1997), the average case closure rate was equal to 8.5 percent of the previous month's caseload. Since TEA began, the average case closure rate has been 10.4 percent. The highest case closure rate was during the first six months of the TEA program, when case closures averaged 12 percent.

NOTE: The number of case closure does not equal the number of families that actually stopped receiving assistance. Case closures include cases that were closed and re-opened during the same month without loss of benefits.

SOURCE: Unpublished Arkansas DHS data.

TEA

TIME PERIOD	CASES CLOSED (Monthly Average)	CASES CLOSED AS % OF PREVIOUS MONTH'S CASES
July 1997	2,442	11.4
August	2,983	14.2
September	2,336	11.9
October	2,192	12.5
November	1,809	11.2
December	1,640	10.8
January 1998	1,429	9.5
February	1,262	8.7
March	1,441	10.1
April	1,326	9.6
May	1,046	7.9
June	1,292	10.0
July	1,176	9.1
August	1,249	9.8
September	1,305	10.2
October	1,213	9.6
November	1,277	10.2
December	1,383	11.1

Breaking The Cycle

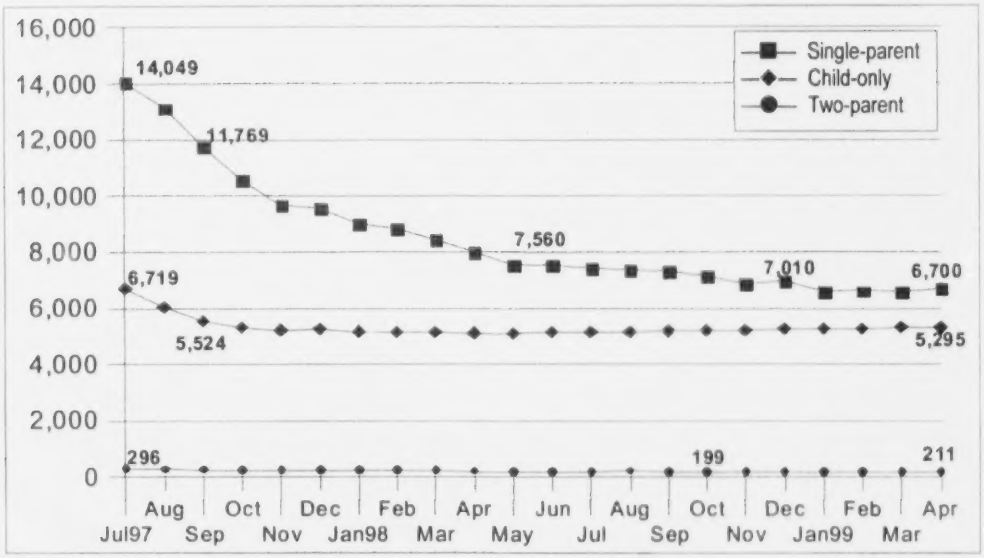
TEA CASELOAD DEMOGRAPHICS

Arkansas kids count

17

CASES BY NUMBER OF ADULTS IN HOUSEHOLD

July 1997 - April 1999

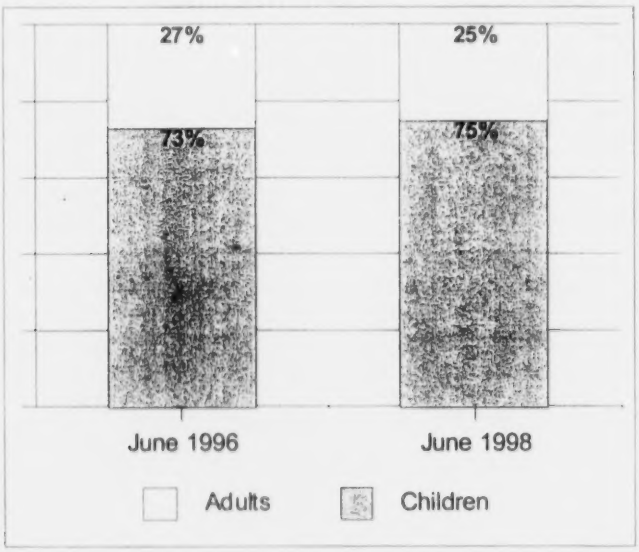


Single-parent TEA cases have seen the biggest decline, 52.3 percent, since July 1997. In contrast, child-only TEA cases, where no adult receives assistance, have declined by 21.2 percent. The large decline in child-only cases is surprising given that these families are not subject to many of the same requirements, such as work requirements. Much of the decline in child-only cases occurred during the first three months of the TEA program. Single-parent cases now comprise only 54.9 percent of TEA cases, compared to 66.7 percent in July 1997. Child-only cases now comprise 43.3 percent of TEA cases, up from 31.2 percent in July 1997.

SOURCE: Arkansas DHS Status Report on Welfare Reform, March 11, 1999.

TEA CASELOAD COMPOSITION

Children vs. Adults • June 1996 and June 1998



While child-only case comprise a larger share of TEA cases relative to single-parent cases, the share of the TEA caseload made up by children has remained relatively stable. Children made up 75 percent of those on TEA in June 1998, up just slightly from 73 percent in June 1996. The reason is that the average number of children per single-parent case has increased from 1.88 to 1.94 over the two-year span, while the average number of children per child-only case has fallen from 1.84 to 1.71.

SOURCE: BPA, Evaluation of Arkansas TEA Program, Third Bi-annual Report, February 1999.

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TEA CASELOAD FAMILY CHARACTERISTICS

June 1998

	SINGLE-PARENT CASES	2-PARENT CASES	CHILD-ONLY CASES
Number of Children			
1	43.5%	38.9%	53%
2	32.5%	32.7%	30.4%
3	15.1%	17.3%	11.3%
4	5.7%	6.3%	3.7%
5	2.3%	3.4%	1%
6 or more	0.9%	1.5%	0.5%
Average Age Youngest Child	4.7	4.7	7.8
Average Age Oldest Child	7.4	7.6	10.2
% with Child Under Age 1	14.8	17.3	4.8
% with Child Ages 1-3	43.7	45.2	20.8

Most TEA families are small. For single-parent TEA cases, 43.5 percent have one child; 32.5 percent have two children; 15.1 percent have three children; and only 8.9 percent have four or more children. The numbers are even smaller for child-only cases. Fifty-three percent of child-only cases have only one child in the case. Another important fact: TEA cases usually contain a very young child. Of single-parent cases, 14.8 percent have a child under age 1, while 43.7 percent have a child ages 1-3. The average age of the youngest child is 4.7.

SOURCE: BPA, Evaluation of Arkansas TEA Program, Third Bi-annual Report, February 1999.

"Melinda has two children, ages 2 and 4. ... Donna is the mother of three children, ages 16, 14 and 6. ... Mary has one child, age 4."

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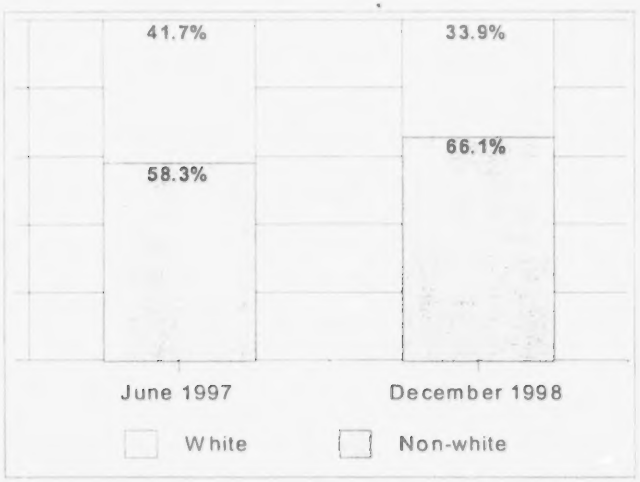
"Melinda and Donna are African American. ... Mary is white."

RACIAL COMPOSITION OF TEA CASELOAD

June 1997 and December 1998



Whites have left the TEA caseload at a much faster rate than other racial groups. The number of whites on TEA decreased from 25,261 in June 1997 to 15,374 in December 1998, a decrease of 39.1 percent. The number of non-whites also decreased, but at a much slower rate. Over the same period, the number of non-white TEA cases declined from 35,382 to 29,927, or 15.4 percent. Whites now comprise 33.9 percent of the TEA caseload, down from 41.7 percent. Non-whites comprise 66.1 percent , up from 58.3 percent.

More analysis needs to be done as to the reasons why the caseload has become increasingly non-white. Possible factors which warrant further examination are: 1) Where do non-whites on the TEA caseload live? Do they tend to be located in high unemployment counties of the Delta or in counties with lower levels of DHS spending in supportive services? 2) How do the educational levels of non-whites on the TEA caseload compare to those people who have left the caseload?

SOURCE: Arkansas DHS unpublished data.

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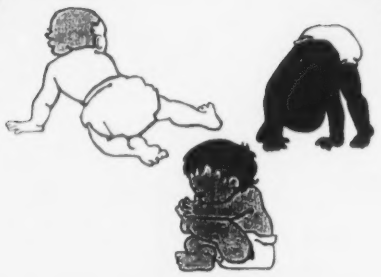
Breaking The Cycle



SUPPORTIVE SERVICES

Arkansas kids count

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CLIENT NEEDS FOR TEA SUPPORTIVE SERVICES

At a minimum, assessments about whether supportive services are meeting the needs of clients for supportive services requires two types of data: 1) What are the needs of clients for supportive services; and 2) What is the extent to which needed services are actually provided to clients? At present, there is no quality data about client needs for supportive services. While DHS recently installed a new data collection and reporting system called Navigator to document clients' barriers and needs for services, the system is still in its infancy and is not yet producing reliable data, according to DHS. The Department, however, expects the reliability of the system to improve in the coming months as caseworkers receive additional training and instruction in using the system, become familiar with the system, and recognize the importance of using the system. In addition, the new welfare reform law passed by the 1999 General Assembly imposes stronger quarterly reporting and evaluation requirements, as well as mandating the establishment of a monitoring system, to track DHS' performance in providing supportive services that meet the needs of TEA clients.

> "Melinda ... went back to the Department of Human Services office to get help with supportive services like child care and transportation."

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SERVICES UTILIZED BY TEA CLIENTS

December 1998

While adequate data about the supportive services needs of TEA clients does not yet exist, DHS does publish data about the utilization of services by TEA clients. According to data for December 1998, child care is by far the most utilized support service (3,204 recipients). The December data shows, however, few clients are receiving other types of supportive services, such as financial assistance with job retention expenses (33 clients) or transportation (711 clients). Only $3 million was spent on cash assistance and supportive services during December 1998, with less than $1 million spent on services.

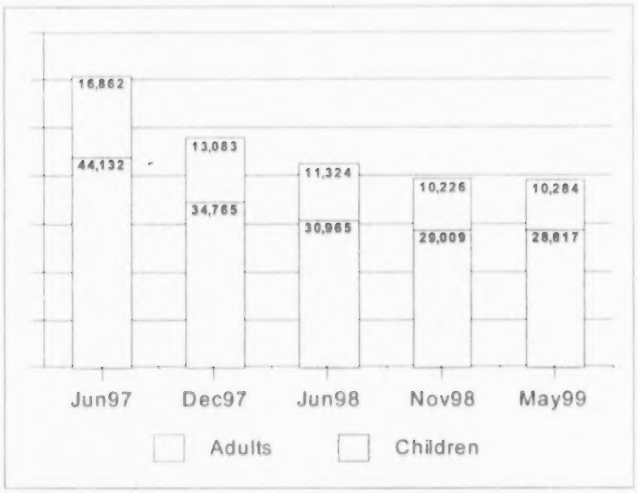
The problem is not one of available resources. For the 1999 state fiscal year, money that had been budgeted for employment services for TEA clients (transportation, education and training, etc.) was not being spent. As of March 31, nine months into the fiscal year, only $8.6 million of the $45.8 million budgeted for employment services had been spent (expenditures equal to less than 19% of the amount budgeted for such services). Similarly, only $17.6 million of the $30.7 million (less than 57%) of the amount budgeted for child care had been spent.

SOURCE: TEA Quarterly Progress Report for Quarter ending Dec. 10, 1998, and data compiled by Phil Price for a presentation to the Arkansas Legislative Council, May 1999.

	RECIPIENTS	EXPENDITURES
TEA Cash Assistance	12,486	$2,209,525
Transitional Benefits	N/A	N/A
Child Care Services	3,204	$669,315
Diversion Assistance	50	$27,869
Relocation Services	4	$2,601
Welfare-to-work Services	N/A	N/A
Reimbursed Support Services		
Books, Education Supplies	11	$1,415
Employer-required Screening	6	$203
Fees, Licenses, etc.	33	$2,141
Job Search Activities	69	$8,806
Job Retention	33	$10,439
Medical Expenses	11	$1,515
Other	151	$23,632
Special Approval	4	$3,483
Transportation	711	$46,802
Uniforms, Shoes, etc.	102	$14,891
Vehicular Expenses	101	$23,014
Wage Subsidy	31	$9,821
TOTAL	N/A*	$3,055,473

* Unduplicated count not available of recipients receiving services.

TEA-MEDICAID CASELOAD



During the first six months of Arkansas' TEA program, TEA-Medicaid caseload dropped approximately 40 percent. This paralleled the drop in the TEA caseload, even though the new welfare rules were designed so that families could still receive Medicaid after being dropped from TEA. The rolls continued to drop from December 1997 to November 1998, although not as severely. As a result of advocacy efforts, media coverage and a change in DHS policy, the declines have been all but stopped. Unfortunately, an unintended consequence of welfare reform is that many adults and children have lost their health coverage unnecessarily.

SOURCE: Arkansas DHS TEA-Medicaid data from ACES System Report, IM-2414.

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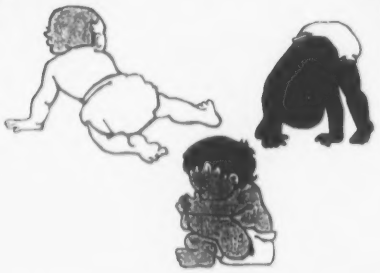
Breaking The Cycle



EMPLOYMENT & EARNINGS

Arkansas kids count

WORK PARTICIPATION STATUS OF TEA ADULTS
June 1998

STATUS	SINGLE-PARENT CASES	2-PARENT CASES
Mandatory Participation	70.6%	54.2%
Exempt from Participation		
Parent w/Child Less than 3 Months Old; or 3-12 Months Old w/o Child Care	6.3%	2%
Other	0.9%	1.7%
EXEMPT TOTAL	7.2%	3.7%
Deferred Participation		
Medically-incapacitated	10.8%	30.2%
Supportive Services Not Available	0.6%	0.2%
Extraordinary Circumstances	1.1%	2.2%
Home Care of Family Member	2.3%	5.9%
Third Trimester of Pregnancy	6.7%	3.2%
Victim of Domestic Violence	0.7%	0.2%
EXEMPT/ DEFERRED TOTAL	22.2%	41.9%
NUMBER OF INDIVIDUALS	7,486	404

Because of the state's strict work participation requirement, most adult TEA caseheads participate in a work-related activity. About 71 percent (70.6) of one-parent cases are required to participate in work-related activities, while 29.4 percent are deferred or exempt. The three biggest reasons for exemptions/ deferrals are that the adults are medically-incapacitated (10.8% of single-parent TEA caseheads); 6.3 percent of single-parent cases have children less than 3 months old or 3-12 months old without child care; and 6.7 percent are deferred because they are in their third trimester of pregnancy.

SOURCE: BPA, Evaluation of Arkansas TEA Program, Feb. 26, 1999.

"No one at DHS talked to [Melinda] about her goals and what she wanted to do. 'The only thing they were worried about was how long I was going to need assistance.'

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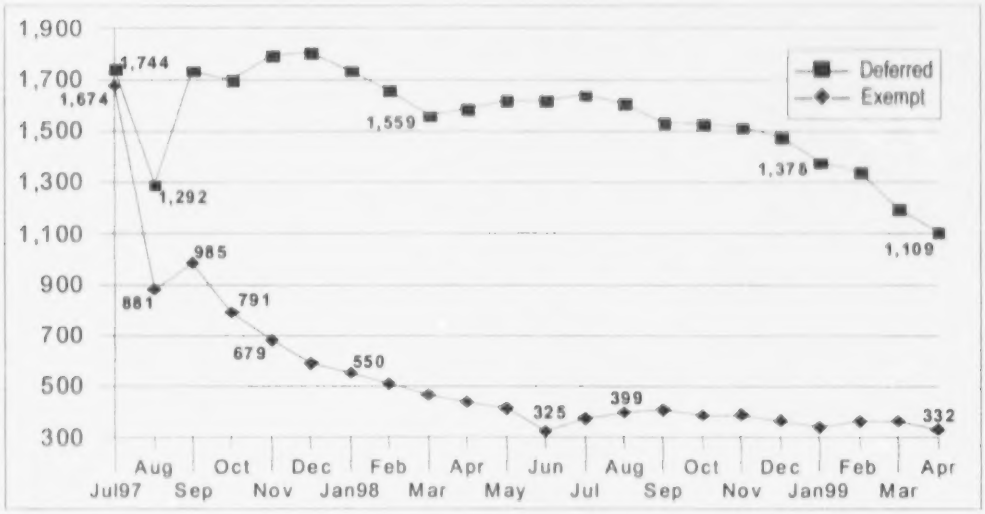
EXEMPTIONS FROM WORK REQUIREMENTS

July 1997 - April 1999



Under Arkansas law, adult TEA caseheads must participate in a work-related activity immediately upon entering the TEA program unless they are exempt or deferred from work requirements. Possible reasons for deferrals or exemptions include medical incapacity, third trimester pregnancy, unavailability of supportive services, effects of domestic violence, and other factors. The number of exemptions and deferrals has gradually declined since September 1997. As of March 1999, 1,109 individuals are receiving deferrals, while 332 individuals are receiving exemptions.

An important point to remember is that deferrals and exemptions from the work requirement should not be confused with deferrals or exemptions to the two-year lifetime limit on cash assistance. As of March, not one case has been granted a deferral or exemption to the lifetime limit on cash assistance.

SOURCE: Arkansas DHS Status Report on Welfare Reform, April 8, 1999.

TEA WORK PARTICIPATION ACTIVITY

December 1998

WORK ACTIVITY	NUMBER	PERCENT
Assisted Job Search	685	16
JTPA Referral	542	12.7
Unsubsidized Employment	505	11.8
Vocational Education Training	309	7.2
High School/ GED	230	5.4
Community Service/ Work Experience	231	5.4
GED/ High School	104	2.4
Group Job Search	59	1.4
Job Skills Training	60	1.4
Subsidized Public Employment	39	0.9
On-the-job Training	36	0.8
Micro-enterprise	20	0.5
Subsidized Private Employment	17	0.4
Other	1	0
TOTAL		66.3%

Of the TEA recipients who must meet mandatory work requirements, most (66.3%) are involved in some type of work-related activity. The three work activities with the greatest number of recipients were assisted job search (16%), JTPA referrals (12.7%), and unsubsidized employment (11.8%).

SOURCE: TEA Quarterly Progress Report for Quarter Ending Dec. 10, 1998.

"CHC helps low-income adults, including those receiving public assistance, to train for and access quality jobs and career advancement opportunities in the rapidly expanding health care sector."

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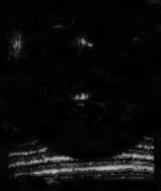
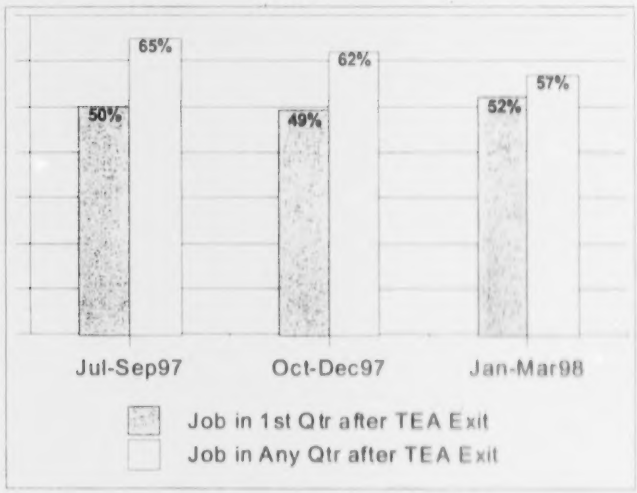


"Donna got a job offer from Trinity Rehab while she was doing the clincial portion of the CHC training. ... Donna has been working for Trinity Rehab for more than six months."

RECIPIENTS' POST-TEA EMPLOYMENT



BPA recently studied 10,403 adults whose TEA cases were closed between August 1997 and March 1998. Only 50 percent of adults whose TEA cases were closed were employed immediately in the next quarter. Only 62 percent eventually worked at some point during the period studied. These numbers raise serious concerns as to what happens to TEA families after their cases are closed, i.e. how do families provide for their children if they are unable to obtain employment?

SOURCE: BPA, Evaluation of Arkansas TEA Program, Third Bi-annual Report, Feb. 26, 1999.

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EARNINGS OF TEA RECIPIENTS EMPLOYED
In Quarter After TEA Exit

QUARTERLY EARNINGS (% of Federal Poverty Line)	1st QTR	2nd QTR	3rd QTR	4th QTR
$100-799 (<25% of FPL)	21.4%	18.9%	18.3%	17.9%
$800-1,599 (25-49% of FPL)	20.5%	19.6%	17%	17.8%
$1,600-2,399 (50-74% of FPL)	23.6%	22.7%	21.5%	19.5%
$2,400-3,199 (75-99%)	18.6%	19.9%	19.4%	17.8%
$3,200-3,999 (100-124%)	9.4%	10.3%	12.9%	14.5%
$4,000-4,799 (125-149%)	4%	4.9%	5.7%	6.6%
$4,800 + (150% +)	2.5%	3.6%	5%	5.8%
AVERAGE EARNINGS	$1,979	$2,122	$2,268	$2,352
EARNINGS BELOW FPL	84.1%	81.2%	76.3%	73%

A recent study found that most recipients are likely to have low earnings even if they are employed immediately upon leaving the TEA program. In fact, 84.1 percent of TEA clients who leave the program and are employed in the subsequent quarter earn wages below the federal poverty line. Even if former recipients stay employed, work more hours and receive pay increases, the data suggests that they are not likely to leave poverty in the short run. Seventy-three percent of former TEA recipients who work four consecutive quarters continue to earn wages below the poverty level.

These findings have important policy implications. If the goal of welfare reform is really to make families economically self-sufficient and not just reduce caseload, these findings suggest that more emphasis needs to be placed on education and training options that improve the ability of clients to obtain jobs that pay livable wages. These findings also reinforce the need for providing supportive services, such as health care, child care, and transportation that supplement the low wages earned by former recipients.

SOURCE: BPS, Evaluation of Arkansas TEA Program, Third Bi-annual Report, Feb. 26, 1999.

"Two of the three women are making wages about minimum wage. Donna earns $7.50 an hour. ... Melinda makes $7.45 an hour. ... Mary is paid the minimum wage. ..."

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"[Donna is] a rehabilition technician. ... Melinda [is] going through a class to learn how to do chemotherapy. ... Mary is [a] home health aide."

OCCUPATIONS OF EMPLOYED TEA RECIPIENTS

October - December 1998

Food Services	16.2%
Manufacturing/ Production	11.2%
Cashier	10.8%
Health Care/ Nursing	7.6%
Housekeeping/ Laundry	6.9%
General Labor	6.2%
Child Care	5.9%
Clerical	5.4%
Health Care	5%
Food Processing	5%
Sales/ Marketing	3.3%
Garment Industry	2%
Banking	2%
Janitorial Services	1.3%
All Other	11.2%

At present, there is no data about the occupations of former recipients who have left the TEA program; the only existing data is about the occupations of employed TEA recipients who are still on the program. Because of income eligibility limits, most TEA recipients who are employed but still on the TEA program are working at part-time jobs and low-paying jobs. The occupation of current TEA recipients may differ from former TEA recipients who are employed, but have left the TEA program. The above data suggests that most TEA recipients are working in relatively unskilled, low-wage occupations.

SOURCE: TEA Quarterly Progress Report for Quarter ending Dec. 31, 1998.

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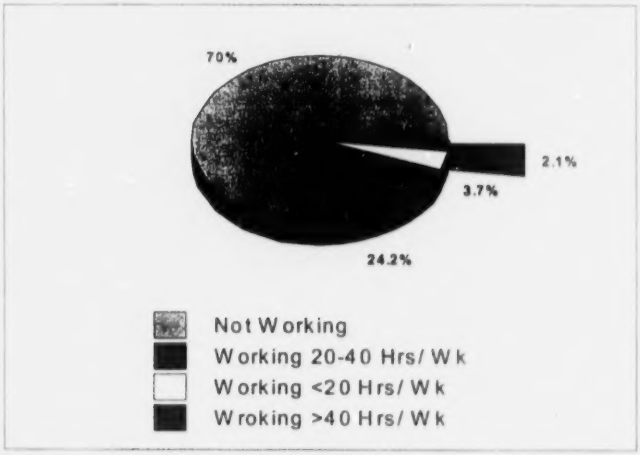
WORK STATUS OF ADULTS IN CLOSED TEA CASES

Cases Closed Due to Non-compliance



In TEA cases closed for reasons other than employment, most adults are not working (70%). Only 24.2 percent are working 20-40 hours per week, 3.7 percent work less than 20 hours, and 2.1 percent work more than 40 hours per week. Those that are working earn low wages (an average of $5.61 for those working less than 20 hours; $5.76 per hour for those working 20-40 hours per week). Some families have another source of income in addition to or in lieu of working income; this non-employment income averages at $466 per month.

SOURCE: Arkansas Department of Health, Summary of TEA Closure Monitoring Visits, April 19, 1999.

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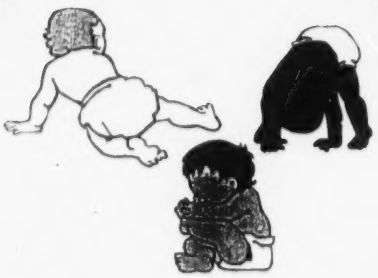
Breaking The Cycle



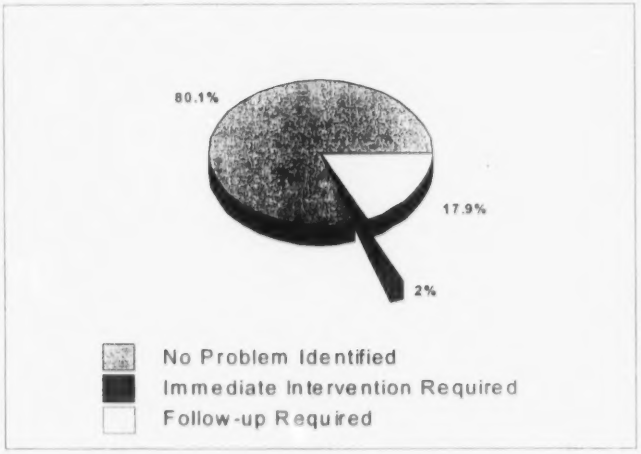
WELL-BEING OF CHILDREN & FAMILIES

Arkansas kids count

37

STATUS OF CHILDREN IN CLOSED TEA CASES

Cases Closed Due to Non-compliance



As of February, 3,308 home visits have been completed by the Health Department to monitor the well-being of children in TEA cases closed because of non-compliance. In 80 percent of the home visits completed, no problem with child well-being was identified, i.e. the child's basic health care, food, clothing and shelter needs were being met. Eighteen percent (593) of the cases required additional follow-up for the children, while 2 percent (66) required immediate intervention.

These findings probably overstate the well-being of children in cases closed because of non-compliance. These findings are from completed home visits only. To-date, home visits have been completed in only 40 percent of the closed cases referred to the Health Department. Two percent (175 cases) of the families refused home visits and 9.4 percent (855 cases) of the families could not be found. Home visits have been attempted in another 41.4 percent (3,765) of the cases, but have not yet been completed, i.e. no one was home or the family was at work. The high number of visits that have not been completed is potentially troublesome because it suggests that there are a high number of families that may be falling through the cracks. We do not know what has happened to many families, some of whom may be homeless or living with other family members because of reduced assistance.

SOURCE: Arkansas Department of Health, Summary of TEA Closure Monitoring Visits, April 19, 1999.

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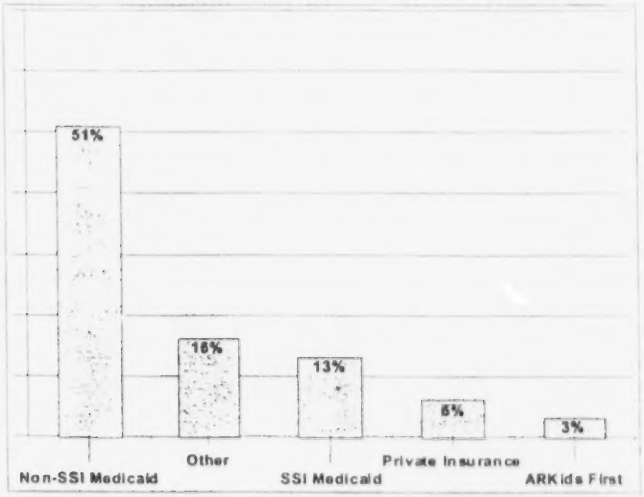
STATUS OF HEALTH CARE IN CLOSED TEA CASES

Cases Closed Due to Non-compliance



As expected, Medicaid is the primary vehicle for providing health care to children whose TEA cases are closed because of non-compliance with program rules and requirements. Non-SSI Medicaid and SSI Medicaid together meet the health care needs of 64% of the children in completed home visits. The high reliance on Medicaid compared to ARKids First and private insurance is not surprising given that many of the families whose cases have been closed because of non-compliance have been unable to find employment (see Page 32).

SOURCE: Arkansas Department of Health, Summary of TEA Closure Monitoring Visits, April 19, 1999.

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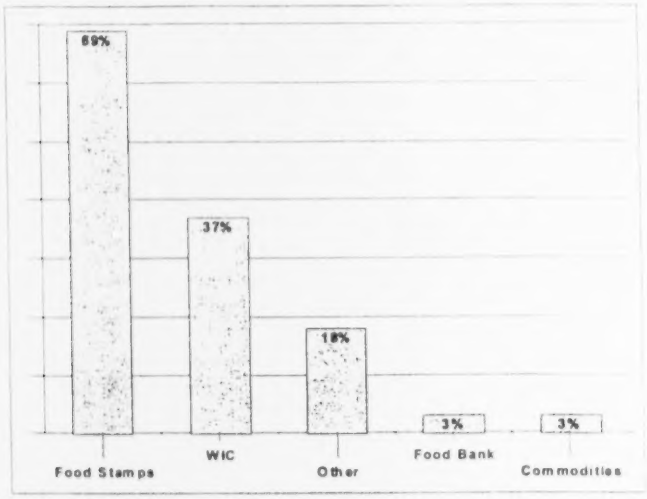
STATUS OF FOOD NEEDS IN CLOSED TEA CASES

Cases Closed Due to Non-compliance



Food stamps was the primary way (69%) that families met the food needs of their children, followed by WIC (Supplemental Feeding Program for Women, Infants and Children) at 37 percent, other means at 18%, and food banks and commodities, each at 3 percent.

Because of the large number of families that the Health Department has been unable to locate and the large number of visits that have not been completed, these results should be viewed with caution.

SOURCE: Arkansas Department of Health, Summary of TEA Closure Monitoring Visits, April 19, 1999.

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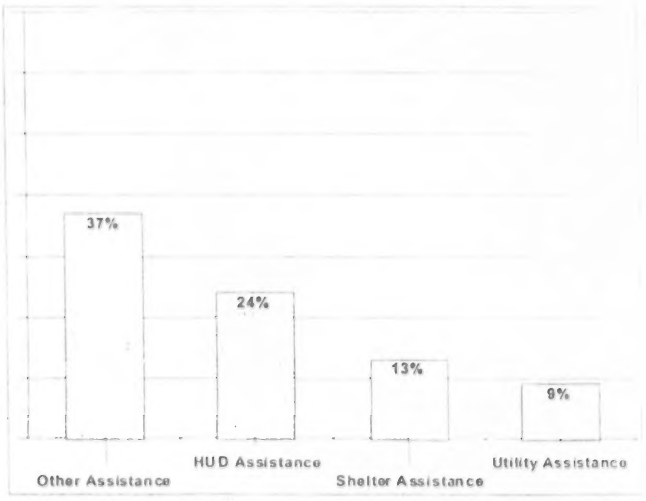
"Donna ... had been living in North Little Rock. She moved back to Pine Bluff because she was homeless. ... To get the assistance she needed, she moved in with her mother."

TYPES OF SHELTER ASSISTANCE RECEIVED



Few families reported having an unmet shelter or housing need for their children. However, large percentages of families reported receiving some form of shelter assistance. Twenty-four percent received HUD assistance, while 13 percent received shelter assistance. Nine percent received assistance with their utilities. Nearly 37 percent received shelter or housing assistance from other sources, such as family members.

SOURCE: Arkansas Department of Health, Summary of TEA Closure Monitoring Visits, April 19, 1999.

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www.aradvocates.org